Wandile Sihlobo | Chief Economist | Email: wandile@agbiz.co.za

October 27, 2026

South African grain and oilseed farmers aim to plant a decent area for the 2026-27 season, although drought is a major risk

- South Africa's agriculture is at a critical point. The farmers have started planting the summer 2026-27 grain and oilseed crops. The operating conditions are challenging. We face higher fertiliser and fuel prices because of the ongoing U.S.-Iran war. We are also facing environmental pressures from this year's El Niño-induced drought. Among other things, these factors influence farmers' decisions about the planting season.

- Fortunately, we now have a window into the farmers' thinking about this season. Data released this afternoon by South Africa's Crop Estimates Committee show that farmers intend to plant 4.5 million hectares of summer grain and oilseed. While this is 2% lower than the 2025-26 area planting, it aligns with the five-year average. Therefore, based on expectations, we can be confident farmers haven't been notably swayed by the challenges we mentioned this season. Still, it's early days, with more information expected in the coming months. This area encompasses maize (white and yellow), sunflower seed, soybeans, groundnuts, sorghum, and dr beans. Across these crops, year-on-year declines suggest farmers may reduce maize area more than in other crops.

- If we zoom in, farmers intend to plant 2.4 million hectares of maize in the 2026-27 season, down 12% year on year. This is the lowest area in eight years. About 1.4 million hectares are white maize and 1 million hectares are yellow maize. About eight seasons ago, when South African farmers planted a lower area of 2.3 million hectares, it was a dry period, and the country produced a poor crop of 11.3 million tonnes at the end of the season. It's still early, and we are unsure how large the harvest will be and what the final planting area will be. We will watch the planting progress and the weather conditions, which look concerning, as it will be a drier summer. Still, better soil moisture helps with the early plantings.

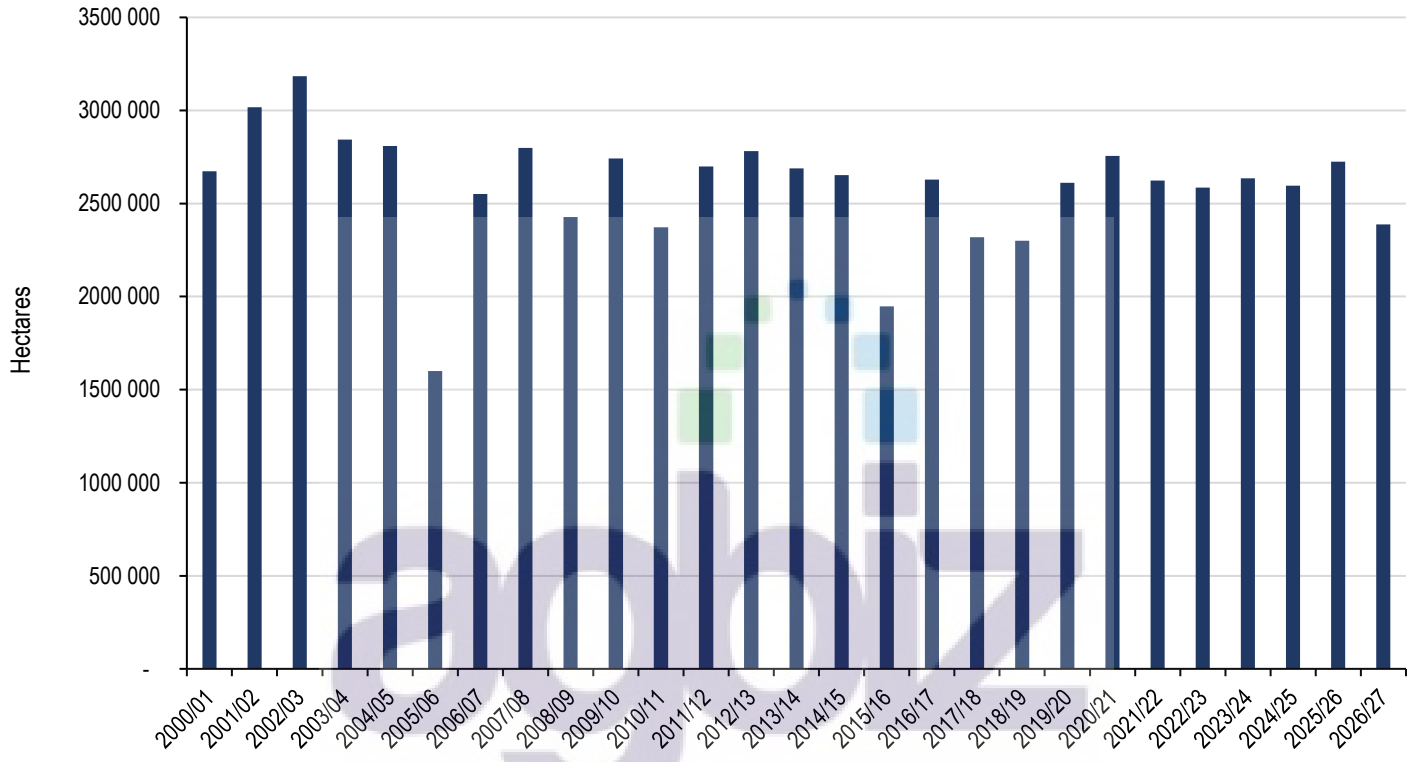
- For oilseeds, soybean plantings are forecast at 2.4 million hectares, roughly unchanged from the previous season. Positively, the 2026-27 sunflower seed plantings are forecast to be 824 600 hectares, up 45% from the previous season. Groundnut plantings are forecast at 43 280 tonnes (down 3% year-on-year), sorghum at 39 500 tonnes (down 1% year-on-year), and dry beans at 35 770 hectares (down 7% year-on-year).

- Overall, these are still early days, but the El Niño-induced drought is a major risk this year. We are encouraged by these figures and farmers' intentions to maintain a decent crop area. But we will know whether they proceed with it on January 27, 2027, when the Crop Estimates Committee releases the preliminary planting data. We are optimistic that most farmers will continue to plant early in the season, taking advantage of the soil moisture, although the heatwave is quickly raising our concerns.

EVERYTHING HAS BEEN DONE TO ENSURE THE ACCURACY OF THIS INFORMATION, HOWEVER, AGBIZ TAKES NO RESPONSIBILITY FOR ANY LOSS OR DAMAGE INCURRED DUE TO THE USAGE THEREOF.

- From a consumer perspective, there are no immediate risks. South Africa has ample grain and oilseed supplies for the 2025-26 season, and the country is in a good supply position through to mid-2027. From there on, we will rely on the crop farmers are planting. Because of the ample 2025-26 season crop, and food price inflation in South Africa was only 1% in September 2026 (up from 0.7% the previous month).

Exhibit 1: South Africa's maize plantings



Source: Crop Estimates Committee and Agbiz Research

EVERYTHING HAS BEEN DONE TO ENSURE THE ACCURACY OF THIS INFORMATION, HOWEVER, AGBIZ TAKES NO RESPONSIBILITY FOR ANY LOSS OR DAMAGE INCURRED DUE TO THE USAGE THEREOF.